



U.S. Department of Justice

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EVENT: Indictment

Defendant: Talal Khalil Chahine (La Shish Restaurant)

**OWNER AND FINANCIAL MANAGER OF “LA SHISH” RESTAURANT
ARE CHARGED WITH TAX EVASION**

Federal charges were unsealed today in Detroit against Talal Khalil Chahine, 51, of Dearborn Heights, Michigan and the owner of the “La Shish” restaurant chain, and Elfat El Aouar, 39 of Plymouth, a “La Shish” financial manager and Chahine’s wife. Chahine and El Aouar are charged by the federal grand jury Indictment with four Counts each of Income Tax Evasion, in violation of Title 26, United States Code, Section 7201. Each Count carries a maximum penalty of 5 years’ imprisonment and a \$250,000 fine. Elfat El Aouar was arrested earlier today from her home in Plymouth. A bail hearing and arraignment is scheduled to occur at 1:00 p.m. in federal court. Talal Chahine is presently outside the United States and is believed to be in Lebanon. A warrant has been issued for his arrest.

In announcing the Indictment, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the Internal Revenue Service, Criminal Investigation Division and the Federal Bureau of Investigation. The prosecution is being handled by Assistant United

States Attorneys Kenneth R. Chadwell and Julie A. Beck.

As set forth in the Indictment, Talal Khalil Chahine is the sole owner of La Shish, Inc., a Middle Eastern restaurant chain located in the Detroit, Michigan metropolitan area. Elfat El Aouar, who is married to Talal Chahine, has an M.B.A. and has worked at La Shish, Inc. in various capacities including as the company's Vice President of Finance. The Indictment alleges that Talal Chahine and Elfat El Aouar collaborated in a scheme to skim cash proceeds from the restaurants for the tax years 2000 through 2003. During those tax years, it is alleged, La Shish, Inc. maintained a double set of computerized books, records and balance reports, one actual and one altered. The altered records artificially reduced the amount of cash that was actually received by the restaurants. Talal Chahine and Elfat El Aouar oversaw the maintenance of the double set of books, as well as the skimming and concealment of more than \$16,000,000 in cash received by the restaurants. To evade government scrutiny, the skimmed cash was not deposited into U.S. bank accounts, but instead, at the direction of Chahine and El Aouar, converted into cashier's checks and reduced in physical size by changing small denominations into larger ones. These conversions were made for the purpose of transporting the cash outside the United States to Lebanon, away from U.S. government reach and detection. Cash was also skimmed by paying La Shish, Inc. employees all or partly in cash.

United States Attorney Stephen J. Murphy said, "The charges today highlight the importance of enforcing our tax laws fairly and diligently. The transferring of millions of dollars in cash from the United States to the Middle East in the attempt to evade taxes will not be tolerated. I commend the hard work of the IRS Criminal Division and the FBI that lead to these charges being unsealed today."

Special Agent Aouate said, "The Internal Revenue Service spends a great deal of its resources in identifying individuals who earn their income legitimately yet willfully fail to report and pay their fair share in taxes. We will continue to work with the United States Attorney to make sure that there are consequences to one's willful actions."

An Indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.